



STATE OF NEVADA
DEPARTMENT OF TAXATION

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Posted 04/15/2016

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB File No. R068-15

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing at **9:00 a.m.** on **Monday, May 16, 2016** at the Nevada Legislative Building 401 S. Carson Street, Room 2135, Carson City NV & Video Conferenced at Legislative Counsel Bureau Grand Sawyer State Office Building 555 E. Washington Ave., Room 4401, Las Vegas, NV. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of regulation that pertain to LCB File No. R068-15, included in Senate Bill 376 (2015).

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

The need and purpose of the proposed regulations is to implement the provisions enacted as part of Senate Bill 376. AB 175 and AB 176 (2015) which provides for the imposition, administration and collection of the excise tax on the connection of a passenger and certain transportation companies; and other matters property related thereto.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed regulation by writing to the Nevada Department of Taxation, 1550 College Parkway, Carson City, Nevada, 89706; or by calling their office at (775) 684-2030. The proposed regulation is also available for review and download on the Department of Taxation website http://tax.nv.gov/uploadedFiles/taxnv.gov/Content/Home/Features/Proposed_Regulation_R068-15.pdf or at the Nevada Legislatures Website: <http://www.leg.state.nv.us/register/2015Register/R068-15P.pdf>.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses due to the nature of the regulation changes, which includes its own analysis by considering the extent of the regulatory provisions contained in LCB File No. R068-15. LCB File No. R068-15 establishes the provision for the administration and collection of the excise tax on connection of a passenger and certain transportation companies: adopting this provision for the filing of returns, payments of the tax and computing the tax on the entire amount charged. The Department prepared a small business impact statement questionnaire that was forwarded to the Interested Parties List which is maintained by the Department.

The Department will continue to accept input on the impact of the proposed regulation on small businesses through the regulatory process. No respondents indicated that this regulation would have a direct and significant economic burden upon a small business.

The Department held 2 workshops for concerned members of the public to state their concerns and submit correspondence regarding the regulation.

4. Estimated economic effect of regulations on business and the public

a. Adverse and beneficial effects

The proposed permanent regulation presents no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public.

b. Immediate and long-term effects

Same as above

5. Cost for enforcement of the regulations

The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed regulations do not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not applicable

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

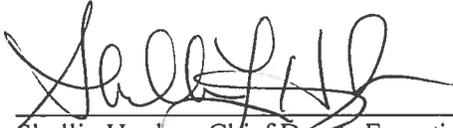
9. New or increases in existing fees

The proposed regulations do not include new or increases in existing fees.

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 1550 E. College Parkway, Suite 115, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

A copy of this notice and the proposed permanent regulations to be adopted and amended will be on file at the Nevada State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulations to be adopted and amended will be available at the Department of Taxation, 1550 College Parkway, Carson City, Nevada; Department of Taxation, 4600 Kietzke Lane, Building L, Suite 235, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Suite 1300, Las Vegas, Nevada; Department of Taxation- 2550 Paseo Verde Parkway, Suite 180, Henderson, Nevada; and in all counties in which an office of the Department of Taxation is not maintained, at the main public library, for inspection and copying by members of the public during business hours. The text of the proposed permanent regulations will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.



Shellie Hughes, Chief Deputy Executive Director
April 14, 2016

Members of the public who are disabled and require accommodations or assistance at the meeting are requested to notify the Department of Taxation in writing or by calling 775-684-2030 no later than five working days prior to the meeting.

Notice has been posted at the following locations: The Department of Taxation - 1550 College Parkway, Carson City, Nevada. Notice was mailed to each County Public Library for posting.

Notice has been EMAILED/FAXED for posting at the following locations: Department of Taxation - 4600 Kietzke Lane, Building L, Suite 235, Reno, Nevada; Department of Taxation - 555 E. Washington Avenue, Grant Sawyer Office Building, Suite 1300, Las Vegas, Nevada; Department of Taxation - 2550 Paseo Verde Parkway, Suite 180, Henderson; The Legislative Building, Capitol Complex, Carson City, Nevada; and the Nevada State Library, 100 Stewart Street, Carson City, Nevada, Interested Parties Group & Mailing List maintained by the Department. Notice of this meeting was posted on the Internet through the Department of Taxation website at www.tax.nv.gov and on the Legislative website at www.leg.state.nv.us.

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R068-15

February 9, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-7, NRS 360.090 and section 20 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2606.

A REGULATION relating to taxation; adopting requirements for the administration and collection of the excise tax on passenger transportation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law imposes an excise tax on the transportation of a passenger by a transportation network company, common motor carrier of passengers or taxicab, at the rate of 3 percent of the total fare charged for the transportation. (Sections 28, 51 and 52 of Assembly Bill No. 175, chapter 278, Statutes of Nevada 2015, at pages 1380, 1390, as amended by Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2609) Existing law further requires the Department of Taxation and the Nevada Tax Commission to adopt regulations to carry out the provisions governing the excise tax on passenger transportation. (NRS 360.090; section 20 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2606) This regulation adopts procedures for the collection of the excise tax on passenger transportation by the Department.

Section 3 of this regulation requires the Department: (1) to use the best information available to identify taxpayers; (2) to register each taxpayer; and (3) to notify each taxpayer of the requirement to pay the tax. Under **section 3**, the failure of the Department to register a taxpayer or notify a taxpayer of the requirement to pay the tax, or the failure of the taxpayer to be registered or receive such notice, does not excuse the taxpayer from payment of the tax.

Sections 4-6 of this regulation establish requirements for the filing of returns and payment of the tax. **Section 4** specifies that the tax is due and payable to the Department on a monthly basis. **Section 5** requires a taxpayer to file a return with the Department each month on or before the last day of the month following the month in which the tax accrued, and **section 6** requires the return to show the total amount of the fares charged by the taxpayer during the preceding reporting period, the amount of tax due and any other information required by the Department to properly administer the tax.

Section 7 of this regulation provides that in computing the amount of tax due, the taxpayer must multiply the tax rate by the entire amount charged to the passenger for

transportation services. **Section 7** also provides that the amount of tax due must be computed to the third decimal place and rounded to a whole cent.

Section 1. Chapter 372B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, “excise tax on passenger transportation” means the taxes imposed by sections 28, 51 and 52 of Assembly Bill No. 175, chapter 278, Statutes of Nevada 2015, at pages 1380 and 1390, as amended by sections 35, 36 and 37 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at pages 2609 and 2610.*

Sec. 3. 1. *The Department shall:*

(a) Use the best information available to identify each taxpayer;

(b) Register each taxpayer; and

(c) Notify each taxpayer of the requirement to pay the excise tax on passenger transportation.

2. The failure of the Department to register or notify a taxpayer pursuant to subsection 1, or the failure of a taxpayer to be registered or receive notice of the requirement to pay the excise tax on passenger transportation, does not eliminate or excuse the requirement to pay the tax.

Sec. 4. *The excise tax on passenger transportation is due and payable to the Department monthly on or before the last day of the month next succeeding the month in which the tax accrued.*

Sec. 5. 1. *On or before the last day of the month following each reporting period, a return for the preceding period must be filed with the Department on a form prescribed by the Department.*

2. A return required by this section to be filed must be signed by the person required to file the return or by his or her authorized agent but need not be verified by oath.

Sec. 6. 1. *A return filed pursuant to section 5 of this regulation must show:*

(a) The total amount of the fares charged by the taxpayer for transportation services during the preceding reporting period;

(b) The amount of the taxes due from the taxpayer for the reporting period covered by the return; and

(c) Such other information as the Department deems necessary for the proper administration of the excise tax on passenger transportation.

2. For the purposes of this section, the total amount of the fares charged for transportation services includes, without limitation, all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare.

Sec. 7. *In determining the amount of the excise tax on passenger transportation due from a taxpayer:*

1. A transportation network company, common motor carrier of passengers or certificate holder shall multiply the tax rate by the total of all amounts charged to its customer for transportation services, including, without limitation, all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare.

2. The amount due must be computed to the third decimal place and rounded to a whole cent using a method that rounds up to the next cent if the numeral in the third decimal place is greater than 4.